ORIGINAL

RECEIVED

SEP 10 1996

Federal Communications Commission
Office of Secretary

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Implementation of the	)	
Telecommunications Act of 1996;	)	CC Docket No. 96-150
	)	
Accounting Safeguards Under the	)	
Telecommunications Act of 1996	)	

DOCKET FILE COPY ORIGINAL

REPLY COMMENTS OF LDDS WORLDCOM

Catherine R. Sloan
Richard L. Fruchterman
Richard S. Whitt

WORLDCOM, INC.
d/b/a LDDS WorldCom
1120 Connecticut Avenue, N.W.
Suite 400
Washington, D.C. 20036
(202) 776-1550

Its Attorneys

September 10, 1996

No. of Copies rec'd 0+11
List ABCDE

TABLE OF CONTENTS

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Implementation of the	)	
Telecommunications Act of 1996;	)	CC Docket No. 96-150
	)	
Accounting Safeguards Under the	)	
Telecommunications Act of 1996	)	

REPLY COMMENTS OF LDDS WORLDCOM

WorldCom, Inc., d/b/a LDDS WorldCom ("WorldCom"), hereby files its reply comments in response to the initial comments submitted on August 26, 1996 regarding the Notice of Proposed Rulemaking ("Notice"), FCC 96-309, issued by the Commission on July 18, 1996 in the above-referenced proceeding.

I. INTRODUCTION AND SUMMARY

In its initial comments, WorldCom urged the Commission to abide by the clear terms of the Telecommunications Act of 1996 as it adopts implementing regulations in this proceeding. In order to counter the Regional Bell Operating Companies' ("RBOCs") bottleneck-derived market power in the local exchange, exchange access, and interLATA markets, the Commission should adopt specific, clear, and comprehensive national rules that will effectively protect captive ratepayers and competitors from unlawful cost-shifting and discrimination. In particular, strengthened rules governing cost allocation, structural separation, and affiliate transactions are necessary to fully implement the pro-competition and pro-consumer intent of the 1996 Act.

Over two dozen parties filed initial comments in this proceeding. The RBOCs uniformly challenge the need for any FCC rules to implement the cost allocation and structural separation provisions of the statute, and propose in the alternative an array of narrow readings, exceptions, waivers, and limitations applicable to any rules that the Commission may decide to adopt. In its reply, WorldCom will focus briefly on a few of the arguments raised by the RBOCs against the imposition of rules designed to constrain their ability to use their bottleneck-derived market power in anticompetitive ways.

II. DESPITE THE RBOCs' PREDICTABLE ATTEMPTS TO EVADE THE CLEAR STATUTORY REQUIREMENTS, THE COMMISSION MUST ADOPT STRONG AND COMPREHENSIVE RULES TO IMPLEMENT THE ACCOUNTING SAFEGUARDS MANDATED BY THE 1996 ACT

The RBOCs first raise a litany of complaints against the proposed imposition of any accounting rules on their separate affiliates or integrated operations. For example, Ameritech argues that the FCC joint cost rules currently in effect should be eliminated completely, or at least streamlined substantially, because they already exceed the requirements of the 1996 Act.[1] Several RBOCs also believe that any additions to those rules are "totally unnecessary" under the Act and should not be adopted.[2] Those parties seeking more than the current rules, the RBOCs claim, bear a heavy burden of proof,[3] especially because new

[1] Ameritech Comments at 3.

[2] BellSouth Comments at 2; SBC Comments at 2-5, 15-16; USTA Comments at 9-12.

[3] Ameritech Comments at 18; USTA Comments at 15.

approaches will entail substantial costs to them.[4] Several RBOCs proceed to endorse USTA's proposed substitute rules because they are much less detailed and highly streamlined.[5] Bell Atlantic objects to the notion of binding rules altogether, and instead urges the FCC to adopt "general principles" that are backed up by the Commission's audits and complaints processes as enforcement mechanisms.[6]

WorldCom believes that, the RBOCs' varied arguments notwithstanding, the Act says what it says. To restate the obvious, one entire section of the new statute is devoted exclusively to the structural, transactional, and nondiscrimination safeguards to which the RBOCs must adhere in order to lawfully provide in-region interLATA and other services. It is beyond rational dispute that these statutory safeguards apply to the RBOCs in full and cannot be waived or streamlined away by regulatory fiat. In its initial comments, WorldCom explained that the Commission cannot carry out its statutory duties to implement the Act simply by reaffirming the adequacy of its current rules.[7] Those rules should be viewed in this proceeding as the floor, not the ceiling, upon which the additional requirements of the Act can be erected.

The RBOCs also urge the FCC to forbear from, or waive, any accounting regulation of so-called "pure" price cap LECs because they have no further incentive to

---

[4] Ameritech Comments at 19.

[5] USTA Comments at 14; Ameritech Comments at 12-13; Bell Atlantic Comments at 7.

[6] Bell Atlantic Comments at 6-7.

[7] See Comments of LDDS WorldCom, CC Docket No. 96-150, at 10-11.

misallocate costs or discriminate against competitors.[8] USTA claims that any accounting regulation is "superfluous" for price cap carriers because price caps "severs the link between costs and rates."[9]

Despite the RBOCs' claims, WorldCom is unable to locate any provision in the Act even suggesting that RBOCs subject to price cap regulation somehow are excused from the accounting safeguards in the statute. To the contrary, Section 272 plainly applies to "[a] Bell operating company (including any affiliate) which is [an incumbent] local exchange carrier...."[10] The Commission cannot lawfully read into Section 272 a blanket "price cap carrier" exception where none exists in the first place.

Moreover, as WorldCom explained in its initial comments, price caps at best only help reduce some incentives to shift some LEC costs. Price caps do not: (1) prevent RBOC discrimination; (2) govern the wholesale rates that the RBOCs charge under Sections 251 and 252 of the Act; (3) affect the prices of affiliate transactions; (4) alter incentives to shift costs to

---

[8] Ameritech Comments at 4; Bell Atlantic Comments at 3; BellSouth Comments at 47-48; NYNEX Comments at 4-7; PacTel Comments at 2, 6, 35; SBC Comments at 6-9; US West Comments at 29; USTA Comments at 4.

[9] USTA Comments at 4; see PacTel Comments at 21; US West Comments at 28. Even if true, of course, this supposed divorce of rates from costs in the price caps system is contrary to the 1996 Act, which expressly requires that the rates for many RBOC services be based on actual cost. See, e.g., 1996 Act, Section 252(d)(1)(A)(i) (rates for interconnection and network elements must be based on economic cost); Section 252(d)(2)(A)(i) (rates for transport and termination must fully recover costs); Section 254(k) (universal services must bear reasonable share of joint and common costs).

[10] 1996 Act, Section 272(a)(1).

the regulated entity where most ratepayers are still captive; and (5) guarantee that underlying rates are in fact reasonable and cost-based.[11] In short, the existence and strength of the FCC's nonstructural safeguards should not depend at all on the status of price caps.

In addition, several RBOCs state that the allocation of costs is an inherently arbitrary and inefficient exercise that distorts competitive conditions, and thus should not even be attempted in this proceeding.[12] WorldCom can only repeat the point that the Act explicitly and unequivocally requires that the RBOCs abide by cost allocation safeguards designed and enforced by the Commission. Moreover, even if these RBOCs' characterization of the cost allocation process is correct -- which WorldCom certainly does not concede -- it does not follow that any difficulty inherent in doing something means that it should not be done at all. Under this self-defeating thinking, Congress should not have even attempted the ambitious task of introducing competition in the local market.

The RBOCs also plead with the Commission not to impose an "asymmetric" and "one-sided regulatory burden" on them,[13] but rather to preserve the RBOCs' economies of scope and inherent advantages in the marketplace.[14] As USTA hastens to point out, however, Section 272 of the Act applies by name only to a "Bell operating company," not to any other entity.[15]

---

[11] Comments of LDDS WorldCom, CC Docket No. 96-150, at 32.

[12] Bell Atlantic Comments at 4; BellSouth Comments at 4.

[13] Bell Atlantic Comments at 6-7.

[14] Bell Atlantic Comments at 15; BellSouth Comments at 6-7.

[15] See USTA Comments at 2-3.

As a result, this "asymmetric" set of obligations has a statutory basis -- one premised on Congress' correct understanding of RBOC market power -- that cannot be removed by one group's wishful thinking.

Finally, several RBOCs insist that accounting safeguards shouldn't be used to regulate competitive markets because intense competition in local markets will keep rates down.[16] Pacific Bell even makes the remarkable claim that it "no longer has a monopoly on any service."[17] There is no factual foundation for this argument. In its initial comments, WorldCom described in detail the RBOCs' current monopoly position, and the reasons why the RBOCs are able to leverage this position into market power in the local exchange and exchange access markets, as well as the adjacent long distance markets.[18] The RBOCs point to nothing in their comments that would indicate otherwise. Without strong accounting safeguards, moreover, the RBOCs will have added ability to actually impede the development of competition through discriminatory and anticompetitive pricing and through cross-subsidization.

---

[16] NYNEX Comments at 8; BellSouth Comments at 9-10; SBC Comments at 10-12; USTA Comments at 9-12.

[17] PacTel Comments at 42.

[18] Comments of LDDS WorldCom, CC Docket No. 96-150, at 3-5.

III. THE BELL COMPANIES' INTEGRATED OPERATIONS MUST BE SUBJECT TO EXTENSIVE COST ALLOCATION RULES

At least one RBOC admits that the Commission's Part 64 rules "are particularly suitable" to the RBOCs' integrated provision of local exchange and exchange access service, and incidental and out-of-region interLATA service.[19] In general, however, the RBOCs seek to limit the applicability of the Commission's current rules, not to mention any proposed new rules under the statute.

For out-of-region interLATA services, SBC and US West claim that no new accounting rules are needed.[20] Other RBOCs state that neither accounting alternative suggested in the Notice -- treating out-of-region interLATA services as either a separate regulated account or a nonregulated service -- should be adopted by the Commission.[21] In particular, NYNEX believes that out-of-region interLATA services should not be treated as nonregulated, and hence subject to Part 64 for accounting purposes.[22] BellSouth also takes the position that out-of-region interLATA services should be excluded from price caps altogether.[23]

In its initial comments, WorldCom explained that strict cost allocation rules are necessary to govern the RBOCs' provision of out-of-region interLATA services. Of the

---

[19] PacTel Comments at 9.

[20] SBC Comments at 18-19; US West Comments at 5-6.

[21] BellSouth Comments at 16-17; SBC Comments at 22-23.

[22] NYNEX Comments at 14-15.

[23] BellSouth Comments at 17.

Commission's two proposed accounting treatments, WorldCom observed that classifying the RBOCs' out-of-region interLATA services as nonregulated for accounting purposes will help reduce the chances of misallocation far more than allowing those costs to be commingled in an RBOC's regulated account.[24] Nothing the RBOCs claim in their comments alters those key points. Moreover, BellSouth's view that the RBOCs' out-of-region interLATA services should be removed from price caps is inconsistent with the RBOCs' (mistaken) position that price caps offer adequate protection of ratepayers and competitors to eliminate cost allocation rules. Whatever little protection price cap rules may offer in the absence of statutorily-dictated accounting safeguards, it is obvious that they can offer no protection at all if they do not exist.

The RBOCs also insist that the Commission should not require the precise method of accounting for the imputation of access charges.[25] Interestingly, PacTel does not oppose the FCC's proposal to implement the access imputation provision.[26] WorldCom supports the Commission's imputation methodology although, as was pointed out in WorldCom's initial comments, imputation alone is not nearly enough to prevent RBOC discrimination.[27]

For incidental interLATA services, SBC and US West claim that no new

---

[24] Comments of LDDS WorldCom, CC Docket No. 96-150, at 12-14.

[25] Ameritech Comments at 20-21; Bell Atlantic Comments at 16-17; BellSouth Comments at 17-18; NYNEX Comments at 15; SBC Comments at 24; US West Comments at 7.

[26] PacTel Comments at 12.

[27] See Comments of LDDS WorldCom, CC Docket No. 96-150, at 15-16.

accounting rules are needed to carry out the dictates of the 1996 Act,[28] while BellSouth goes so far as to urge the Commission to forbear from applying any rules to incidental interLATA services.[29] Several RBOCs argue that the Commission should not adopt either accounting alternative mentioned in the Notice, but should instead treat incidental interLATA services as usual under the rules.[30]

The RBOCs appear to conveniently forget that Section 271(h) of the Act states that the FCC "shall ensure" that their provision of incidental services "will not adversely affect telephone exchange service ratepayers or competition in any telecommunications market."[31] That language certainly requires at least some rules, and strongly implies that the current rules are not adequate. Again, the Commission should look to its current rules as the floor, and build from there until the Act is fully satisfied. As is the case with out-of-region interLATA services, incidental services should be treated as nonregulated for accounting purposes.

Finally, the RBOCs uniformly argue that only Computer III-type accounting safeguards should be applied to payphone services.[32] However, Ameritech agrees with the

---

[28] SBC Comments at 18-19; US West Comments at 5.

[29] BellSouth Comments at 15.

[30] Ameritech Comments at 20; PacTel Comments at 10; SBC Comments at 22-23.

[31] 1996 Act, Section 271(h).

[32] BellSouth Comments at 19; NYNEX Comments at 16; PacTel Comments at 13-14; US West Comments at 9.

Commission that payphone services should be treated as nonregulated for accounting purposes.[33]

Congress viewed the safeguards in Computer III only as "a minimum," and mandated that the Commission prevent all subsidies that could be provided "directly or indirectly."[34] As with the FCC's other safeguards, the Commission should go beyond Computer III to ensure that all subsidies are prevented. WorldCom agrees with Ameritech that payphone service should be treated as nonregulated for accounting purposes.

IV. THE BELL COMPANIES' SEPARATED OPERATIONS MUST BE SUBJECT TO STRICT ACCOUNTING AND AFFILIATE TRANSACTION RULES

The RBOCs argue that no new rules are needed to satisfy the Act's various safeguard provisions concerning separated in-region interLATA services,[35] and that any detailed affiliate transaction rules are contrary to the Act's intent.[36] In fact, BellSouth believes that the FCC's existing rules already exceed the "arm's length" requirement found in the Act.[37] The RBOCs also argue for certain exemptions from the FCC's accounting rules. For example,

---

[33] Ameritech Comments at 21-22.

[34] 1996 Act, Section 276(b)(1)(C).

[35] BellSouth Comments at 20-21; NYNEX Comments at 19; PacTel Comments at 15; SBC Comments at 26-27; US West Comments at 10.

[36] Bell Atlantic Comments at 6-7; BellSouth Comments at 21-22.

[37] BellSouth Comments at 22.

Ameritech states that the joint cost rules should not apply to the interLATA affiliate that also offers nonregulated services.[38] Bell Atlantic states that there should be no regulation of transactions within or between affiliates.[39] BellSouth also claims that the affiliate transaction rules should not apply to transactions between RBOCs and their affiliates because Section 10 of the Act, which grants the Commission forbearance authority, "prohibits the adoption of such regulations."[40]

WorldCom can only repeat the fundamental point that, as in the area of cost allocation, the text of the Act must provide the primary guide in this rulemaking. Section 272 specifies a significant degree of separation between the RBOC and its affiliates, a separation that lawfully cannot be weakened or eviscerated in the implementation process. In particular, BellSouth is mistaken that Section 10(a) prohibits the Commission from adopting structural separation rules in this proceeding. The Commission has the authority to forbear from applying only those regulations that, among other things, are determined to be "not necessary" to ensure just, reasonable, and non-discriminatory rates and practices by the affected group of carriers.[41] It is difficult to fathom how one can argue that the structural separation that is explicitly and unequivocally required by Congress must be ignored completely because it is "not necessary."

---

[38] Ameritech Comments at 24.

[39] Bell Atlantic Comments at 14-15.

[40] BellSouth Comments at 37.

[41] 1996 Act, Section 10(a).

In its comments in CC Docket No. 96-149, and in its initial comments here, WorldCom proposes a reading of the Act's separation requirements that establishes the RBOCs' interLATA affiliate as the basic retail entity for all one-stop shopping offerings that include local and long distance services.[42] The Commission should reject the RBOCs' self-serving pleas for relief from the Act's comprehensive separation requirements, and instead adopt the separation model proposed by WorldCom as true to the dictates of Section 272.

The RBOCs also argue that the Commission should require no specific accounting standard for affiliate transactions. At most, they claim, the FCC should only adopt its proposal that the RBOCs and their affiliates use generally accepted accounting principles ("GAAP"), with no other accounting standard mandated.[43] Bell Atlantic also opposes any FCC requirement that the prices in affiliate transactions be compensatory to both parties.[44]

As WorldCom noted in its initial comments, the strict structural separation mandated by the Act must be buttressed by effective accounting safeguards. Thus, the RBOCs' in-region interLATA affiliates must be classified and regulated as dominant carriers, at least until the RBOCs lose their bottleneck-derived market power. The Commission's current affiliate

---

[42] Comments of LDDS WorldCom, CC Docket No. 96-149, filed August 15, 1996, at 11-18; Comments of LDDS WorldCom, CC Docket No. 96-150, at 21-24.

[43] Ameritech Comments at 22; Bell Atlantic Comments at 13; BellSouth Comments at 23; SBC Comments at 46-47; US West Comments at 11-12; USTA Comments at 22. PacTel demurs because it claims that GAAP is not explicitly required by the Act. PacTel Comments at 17.

[44] Bell Atlantic Comments at 15-16.

transaction rules (strengthened in the ways proposed in the Notice) must apply to the in-region interLATA affiliate so that competitors and ratepayers may be better protected. In addition, the RBOCs' in-region interLATA affiliates must be treated as nonregulated for accounting purposes, with the discrete costs of providing such service identified and separated out completely from the other cost centers in the nonregulated account.

Specifically, WorldCom supports requiring all RBOC accounting related to affiliate transactions to comply with GAAP. In its initial comments, WorldCom also urged the Commission to order that the RBOCs' affiliates abide by the Part 32 Uniform System of Accounts ("USOA") so that the RBOCs' actual provision of services can be tracked more closely and accurately.[45] This requirement is consistent with the Commission's authority under the Act to prescribe how the RBOCs and their affiliates maintain their separate accounts.[46] Bell Atlantic's opposition to a simple rule that the prices charged by an RBOC and its affiliate must compensate the other party is puzzling; such a seemingly non-controversial rule is well within the Commission's authority, and is another small measure to help prevent unlawful cross-subsidization.

The RBOCs also argue that the FCC's proposed change in the fair market value ("FMV") calculation to an "identical valuation method" is not justified and should not be applied

---

[45] Comments of LDDS WorldCom, CC Docket No. 96-150, at 22-23.

[46] 1996 Act, Section 272(b)(2).

to services.[47] PacTel claims that the RBOCs should be allowed to give a "good faith" estimate of fair market value,[48] although BellSouth and SBC oppose the use of even this minimal standard.[49] The RBOCs also argue that the "prevailing company price" standard should not be eliminated,[50] with SBC stating that the Commission's proposal to abandon it is "beyond comprehension."[51]

The "identical valuation method" for assets and services is tougher than the FCC's current rules, and therefore will be more effective at reducing incentives for the RBOC to underprice its services to the affiliate, and for the affiliate to overprice its services to the RBOC.[52] The RBOCs' objections to the proposed new rule center on the additional workload and independent justification that might be required. Rather than viewed as a drawback, WorldCom sees these aspects of the rule as a positive sign that it will help lessen the chances that ratepayers and competitors will be harmed by unlawful cross-subsidization. Moreover, an RBOC's "good faith" estimate alone is not enough to substantiate the fair market value of a

---

[47] Bell Atlantic Comments at 8; NYNEX Comments at 21; PacTel Comments at 20-28; SBC Comments at 35-39; US West Comments at 15-16.

[48] PacTel Comments at 26.

[49] BellSouth Comments at 31; SBC Comments at 35-39.

[50] BellSouth Comments at 30-31; NYNEX Comments at 26-27; PacTel Comments at 20-28; SBC Comments at 30-34; US West Comments at 16-18.

[51] SBC Comments at 30.

[52] Comments of LDDS WorldCom, CC Docket No. 96-150, at 25.

transaction.[53] Given the significant cost savings that an RBOC and its affiliates experience in their dealings with each other, as opposed to their dealings with unaffiliated parties, it is evident that the "prevailing company price" standard does not fairly reflect fair market value.[54] The Commission is correct to abandon that rule so that a more market-oriented approach is utilized.

The RBOCs also think little of Section 272(b)(5), which requires that the written evidence of all transactions between the RBOCs and their affiliates be made available to the public. Ameritech even advocates that the Commission forbear from enforcing Section 272(b)(5) altogether.[55] In the absence of complete forbearance, the RBOCs view their continued adherence to the cost allocation manual ("CAM") process as satisfying the statutory requirement.[56] Several RBOCs insist that no FCC filing is necessary at all, and that parties wishing to inspect the contracts must do so at the RBOCs' offices so, as US West puts it, the RBOCs can "monitor" these parties.[57]

Section 272(b)(5) is one of many necessary conditions for the RBOCs to lawfully provide in-region interLATA service, and as such it cannot be waived or unduly limited. That provision requires that "all transactions" with affiliates be "reduced to writing" and "available

---

[53] Comments of LDDS WorldCom, CC Docket No. 96-150, at 26-27.

[54] Comments of LDDS WorldCom, CC Docket No. 96-150, at 26.

[55] Ameritech Comments at 22-23.

[56] Ameritech Comments at 22-23; PacTel Comments at 18-19; SBC Comments at 45; US West Comments at 13.

[57] US West Comments at 13; BellSouth Comments at 24.

for public inspection."[58] While the CAM process should continue, the RBOCs must also file directly with the Commission copies of all contracts, and all other pertinent details, of all affiliate transactions. The burden must be on the RBOCs to demonstrate that proprietary treatment is necessary for certain discrete portions of the agreements. It is imperative that the documents are readily accessible to the public, so that all interested parties can ensure that the accounting safeguards prescribed in this proceeding are being followed in every detail. In contrast, forcing parties to review documents in a closely-monitored RBOC waiting room is not sufficient. The RBOCs must file these documents with the Commission, so that parties may examine them at their leisure without unwarranted and intrusive surveillance.

Finally, BellSouth claims that no cost allocation or affiliate transaction rules apply to the RBOCs' joint marketing practices with their affiliates.[59] In contrast, both NYNEX and PacTel support the treatment of joint marketing with current cost allocation and affiliate transaction rules.[60]

In its initial comments, WorldCom pointed out that, because Section 272(g)(2) of the Act does not authorize joint provisioning of local and long distance service by the RBOCs, the Commission has no authority to allow the RBOCs to share marketing personnel, functions, and services with its interLATA affiliate, or to collaborate in other ways to provide packages

---

[58] 1996 Act, Section 252(b)(5) (emphasis added).

[59] BellSouth Comments at 38-39.

[60] NYNEX Comments at 30; PacTel Comments at 30.

of local, long distance, and other services. Such packages must be provided instead by the interLATA subsidiary, with local service inputs obtained on the same arm's length basis as other unaffiliated carriers must obtain them.[61] Should the FCC incorrectly allow such joint activities, however, all cost allocation and affiliate transaction rules must, of course, apply to any RBOC joint activities.

V. CONCLUSION

The Commission should act in accordance with the recommendations proposed herein and in WorldCom's initial comments in this proceeding.

Respectfully submitted,

Catherine R. Sloan
Richard L. Fruchterman
Richard S. Whitt

WORLDCOM, INC.
d/b/a LDDS WorldCom
1120 Connecticut Avenue, N.W.
Suite 400
Washington, D.C. 20036
(202) 776-1550

Its Attorneys

September 10, 1996

[61] Comments of LDDS WorldCom, CC Docket No. 96-150, at 30.

CERTIFICATE OF SERVICE

I, Cecelia Y. Johnson, hereby certify that I have this 10th day of September, 1996, sent a copy of the foregoing "Reply Comments of LDDS WorldCom" by hand delivery, or first class mail, postage prepaid, to the following:

William F. Caton (original and 11 copies)
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

Regina Keeney
Chief, Common Carrier Bureau
Federal Communications Commission
Room 500
1919 M Street, N.W.
Washington, D.C. 20554

Janice Myles (on computer disk w/cover letter)
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W.
Room 544
Washington, D.C. 20554

International Transcription Service, Inc.
2100 M Street, N.W.
Suite 140
Washington, D.C. 20037

Lawrence W. Katz
Edward D. Young, III
Michael E. Glover
1320 North Court House Road - Eighth Floor
Arlington, Virginia 22201

The NYNEX Telephone Companies
Campbell L. Ayling
1111 Westchester Avenue
White Plains, New York 10604

Alan N. Baker
Attorney for Ameritech
2000 West Ameritech Center Drive
Hoffman Estates, Illinois 60196

James D. Ellis
Robert M. Lynch
David F. Brown

SBC Communications, Inc.
One Bell Center - Room 3250
St. Louis, Missouri 63101

BellSouth Telecommunications, Inc.
William B. Barfield
M. Robert Sutherland
1155 Peachtree Street, N.W. - Suite 1700
Atlanta, Georgia 30309-3610

Pacific Telesis Group
Marlin D. Ard
Lucille M. Mates
140 New Montgomery Street - Room 1526
San Francisco, California 94105

USTA
Mary McDermott
Linda L. Kent
Charles D. Cosson
Keith Townsend
1401 H Street, N.W. - Suite 600
Washington, D.C. 20005

U.S. West, Inc.
Sondra J. Tomlinson
1020 19th Street, N.W. - Suite 700
Washington, D.C. 20036

GTE Service Corporation
Gail L. Polivy
1850 M Street, N.W. - Suite 1200
Washington, D.C. 20036

CompTel
Genevieve Morelli
1140 Connecticut Avenue, N.W. - Suite 220
Washington, D.C. 20036

Kelley Drye & Warren LLP
Danny E. Adams
Steven A. Augustino
Andrea D. Pruitt
1200 19th Street, N.W. - Suite 500
Washington, D.C. 20036

AT&T Corporation
Gene C. Schaerr
James P. Young
1722 Eye Street, N.W.
Washington, D.C. 20006

MCI Telecommunications Corp.
Alan Buzacott
Don Sussman
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Sprint Corporation
Leon M. Kestenbaum
Jay C. Keithley
Michael B. Fingerhut
1850 M Street, N.W. - 11th Floor
Washington, D.C. 20036

Charles C. Hunter
Catherine M. Hannan
Hunter & Mow, P.C.
1620 I Street, N.W. - Suite 701
Washington, D.C. 20006

Robert F. Aldrich
Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, N.W.
Washington, D.C. 20037-1526

Richard J. Arsenault
Drinker Biddle & Reath
901 Fifteenth Street, N.W.
Washington, D.C. 20005

Cynthia B. Miller
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Penny Rubin
NYS Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

Eric Witte
Missouri Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102

Peter Arth, Jr.
Edward W. O'Neill
Patrick S. Berdge
505 Van Ness Avenue
San Francisco, California 94102

NARUC
Charles D. Gray
James Bradford Ramsay
1201 Constitution Avenue, N.W. - Suite 1102
Washington, D.C. 20044

Ruth S. Baker-Battist
Voice Tel
5600 Wisconsin Avenue, N.W. - Suite 1007
Chevy Chase, Maryland 20815

General Services Administration
18th & F Streets, N.W. - Room 4002
Washington, D.C. 20405

Albert Halprin
Joel Bernstein
Randall Cook
Halprin, Temple, Goodman and Sugrue
1100 New York Avenue, N.W. - Suite 650E
Washington, D.C. 20005

Jerusa Carl Wilson, Jr
Donald J. Elardo
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Joseph A. Klein
Michael S. Slomin
Bell Communications Research, Inc.
445 South Street
Morristown, New Jersey 07960

Frank Moore
Smith, Bucklin & Associates, Inc.
Government Affairs Division
1200 19th Street, N.W.
Washington, D.C. 20036

Herta Tucker
Executive Vice President
Association of Telemessaging Services International
1200 19th Street, N.W.
Washington, D.C. 20036

David J. Brown
Newspaper Association of America
529 14th Street, N.W. - Suite 440
Washington, D.C. 20045-1402

Cecelia Y. Johnson